

EXHIBIT B

BRADFORD LAW FIRM, P.C.

FILE: _____

DATE: 2-22-05

Harleysville Insurance Company of Ohio
Harleysville-Atlantic Insurance Company
Harleysville-Garden State Insurance Company
Harleysville Insurance Company of New Jersey
Harleysville Mutual Insurance Company
Harleysville Preferred Insurance Company
Harleysville Pennland Insurance Company
Harleysville Worcester Insurance Company
Harleysville Insurance Company of New York
Harleysville Lake States Insurance Company

LETTER OF CERTIFICATION

February 11, 2005

B Jorgenson
South-east Claims Service Center

This is to certify that the attached is a true and correct copy of:

Deluxe Garage Owners #GO-7E6450, all policy terms from 11/01/01 to 11/01/02,

insofar as it relates to the insurance afforded thereunder at the following location:

PO Box 97, Opelika, AL 36801, to the Named: Grady's Tire & Auto Service, Inc.,

on the date of loss 08/03/02 and purchased in Alabama.



R. Bruce Livingston
Assistant Vice President

Harleysville Mutual Insurance Company
355 Maple Avenue
Harleysville, PA 19438-2297
www.harleysvillegroup.com



Named Insured:

**GRADY'S TIRE & AUTO SERVICE
INC
PO BOX 97
OPELIKA AL 36801**

**DELUXE GARAGE OWNERS POLICY
GO 7E6450**

**Account 7E6450
Policy Term 11/01/01 to 11/01/02
12:01 A.M. Standard Time
Issue Date 08/06/02
Reason for Issue Reinstatement
Change Effective 07/16/02**

For assistance please contact your agent
**MALLORY AGENCY
at 706-884-3339**

(Agent Code 10-0369)

Reinstatement Memorandum

This policy has been reinstated with the following charge:

Total Annual Premium:	\$9,967.00
Premium for this reinstatement:	\$2,951.00
Total Amount Due For This Reinstatement:	\$2,951.00

Harleysville Mutual Insurance Company
355 Maple Avenue
Harleysville, PA 19438-2297
www.harleysvillegroup.com

DELUXE GARAGE OWNERS POLICY
GO 7E6450



Named Insured:

**GRADY'S TIRE & AUTO SERVICE
INC
PO BOX 97
OPELIKA AL 36801**

Account 7E6450
Policy Term 11/01/01 to 11/01/02
12:01 A.M. Standard Time
Issue Date 07/22/02
Reason for Issue Cancellation
Change Effective 07/16/02

For assistance please contact your agent
MALLORY AGENCY
at 706-884-3339

(Agent Code 10-0369)

Cancellation Memorandum

**This policy has been cancelled Pro Rata
for the following reason:**

Non-Payment

The Unearned Premium Is: \$2,951.00
Total Return Due For This Cancellation: \$2,951.00

Harleysville Mutual Insurance Company
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DELUXE GARAGE OWNERS POLICY
GO 7E6450



Named Insured:

**GRADY'S TIRE & AUTO SERVICE
 INC
 PO BOX 97
 OPELIKA AL 36801**

Account 7E6450
Policy Term 11/01/01 to 11/01/02
 12:01 A.M. Standard Time
Issue Date 04/30/02
Reason for Issue Policy Change #01
Change Effective 12/13/01

For assistance please contact your agent
MALLORY AGENCY
 at 706-884-3339

(Agent Code 10-0369)

Message: Hired Car Physical Damage Is Hereby Added.

The following Amended Declarations changes your Policy.
 Please read it carefully.

Form Of Business: Corporation
 Business Description: Automobile Tire Dealer

Total Annual Policy Premium:	\$9,967.00
Premium For This Amendment:	\$22.00
Total Amount Due for this Amendment:	\$22.00

If there is an outstanding policy balance, a premium invoice will follow.

The amount shown above is the total amount due. This premium is due as indicated on the premium invoice. Failure to remit when due can result in the cancellation of your policy. If you request cancellation, there is a minimum premium retention for this policy of \$75.

Insurance is afforded only with respect to the coverages listed. The limit of our liability shall be as stated herein subject to all terms of the policy. For specific provisions and coverage definitions applicable to the following schedules, refer to the appropriate attached form or endorsement. A schedule of forms and endorsements made part of this policy can be found at the end of this declarations.

Harleysville Mutual Insurance Company
 355 Maple Avenue
 Harleysville, PA 19438-2297
 www.harleysvillegroup.com



DELUXE GARAGE OWNERS POLICY
GO 7E6450

Policy Term 11/01/01 to 11/01/02
 12:01 A.M. Standard Time
 Issue Date 04/30/02
 Change Effective 12/13/01
 Agent Code 10-0369

GRADY'S TIRE & AUTO SERVICE

SCHEDULE OF LOCATIONS/PREMISES

Loc No	Location Description	
01	1212 First Avenue	Opelika AL 36801

SCHEDULE OF COVERAGES

Section I: Property Coverages **Section I Deductible: \$500**

Loc 01 Bldg 001		Limit of Insurance
Class: Auto Parts Stores		
Building		\$240,000
	Including Above/Below Ground Tanks and Related Equipment (if any)	
Business Personal Property		\$160,000
Business Income and Extra Expense		Refer to Policy Text
Accounts Receivable		\$25,000
Money and Securities		\$25,000
	Inside the Premises	\$25,000
	Outside the Premises	\$25,000
Valuable Papers and Records Coverage		\$5,000
Damage to Leased Property		\$10,000
Fire Legal Liability		\$100,000

Optional Coverages
 Exterior Glass Basement/Ground Floor

Other Coverages and Endorsements
 Total Building Replacement Cost Protection
 Endorsement

Loc 01 Bldg 002		Limit of Insurance
Class: Auto Parts Stores		
Building		\$60,000
	Including Above/Below Ground Tanks and Related Equipment (if any)	
Business Personal Property		\$80,000
Business Income and Extra Expense		Refer to Policy Text
Accounts Receivable		\$25,000
Money and Securities		\$25,000
	Inside the Premises	\$25,000
	Outside the Premises	\$25,000
Valuable Papers and Records Coverage		\$5,000
Damage to Leased Property		\$10,000
Fire Legal Liability		\$100,000

Optional Coverages
 Actual Cash Value
 Applies to Building Only

Loc 01 Bldg 003		Limit of Insurance
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Harleysville Mutual Insurance Company
355 Maple Avenue
Harleysville, PA 19438-2297
www.harleysvillegroup.com

DELUXE GARAGE OWNERS POLICY**GO 7E6450**

Policy Term 11/01/01 to 11/01/02
12:01 A.M. Standard Time
Issue Date 04/30/02
Change Effective 12/13/01
Agent Code 10-0369

GRADY'S TIRE & AUTO SERVICE

Class: Auto Body Shop
Building Including Above/Below Ground Tanks and Related Equipment (if any) \$40,000
Business Personal Property \$20,000
Business Income and Extra Expense Refer to Policy Text
Accounts Receivable \$25,000
Money and Securities Inside the Premises \$25,000
Valuable Papers and Records Coverage Outside the Premises \$25,000
Damage to Leased Property \$5,000
Fire Legal Liability \$10,000
\$100,000

Other Coverages and Endorsements

Total Building Replacement Cost Protection
Endorsement

Loc 01 Bldg 004
Class: Auto Parts Stores Limit of Insurance
Building Including Above/Below Ground Tanks and Related Equipment (if any) \$60,000
Business Personal Property \$12,500
Business Income and Extra Expense Refer to Policy Text
Accounts Receivable \$25,000
Money and Securities Inside the Premises \$25,000
Valuable Papers and Records Coverage Outside the Premises \$25,000
Damage to Leased Property \$5,000
Fire Legal Liability \$10,000
\$100,000

Other Coverages and Endorsements

Total Building Replacement Cost Protection
Endorsement

Loc 01 Bldg 005
Class: Auto Parts Stores Limit of Insurance
Business Personal Property \$80,000
Business Income and Extra Expense Refer to Policy Text
Accounts Receivable \$25,000
Money and Securities Inside the Premises \$25,000
Valuable Papers and Records Coverage Outside the Premises \$25,000
Damage to Leased Property \$5,000
Fire Legal Liability \$10,000
\$100,000

Section I: Optional Coverages

Employee Dishonesty 17 Employee(s) Each Occurrence \$25,000

Harleysville Mutual Insurance Company
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 www.harleysvillegroup.com



DELUXE GARAGE OWNERS POLICY
GO 7E6450

Policy Term 11/01/01 to 11/01/02
 12:01 A.M. Standard Time
 Issue Date 04/30/02
 Change Effective 12/13/01
 Agent Code 10-0369

GRADY'S TIRE & AUTO SERVICE

Section II: Garage Liability

Limit of Insurance

Each Accident-Garage Operations-Auto Only.	\$1,000,000
Each Accident-Garage Operations-Other Than Auto Only	\$1,000,000
Personal Injury and Advertising Injury	\$1,000,000
Aggregate-Garage Operations-Other Than Auto Only	\$3,000,000
Medical Payments	\$5,000

SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides those coverages shown below. Each of these coverages will apply only to those "Autos" shown as Covered "Autos". "Autos" are shown as Covered "Autos" for a particular coverage by the entry of one or more of the symbols from the Covered Auto Section of the Garage Coverage Form next to the name of the coverage. Entry of a symbol next to Liability provides coverage for "Garage Operations".

Coverages	Covered Auto Symbols	Limits	Premium
Liability	28,29	As Stated In The Declarations	\$3,088
Garagekeepers Comprehensive	30	Refer To Item Six	\$421
Garagekeepers Collision	30	Refer To Item Six	\$156
	Premium For Gen/Int Endorsements:		\$25

ITEM SIX

Garagekeepers Coverages

Loc	Coverage	Limit of Insurance for Each Location
01	Comprehensive	\$120,000 Minus \$500 deductible for each covered auto. A \$2,500 maximum deductible applies for all such loss in any one event
01	Collision	\$120,000 Minus \$500 deductible for each covered auto.

Direct Coverage (Primary) - Garagekeepers Coverage is changed to apply without regard to your or any other "Insureds" Legal Liability for "Loss" to a covered "Auto" and is primary insurance.

SCHEDULE OF OTHER COVERAGES AND ENDORSEMENTS

General Endorsement 01
 THE FOLLOWING IS HEREBY MADE A PART OF THE POLICY:
 HIRED CAR PHYSICAL DAMAGE

Harleysville Mutual Insurance Company
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DELUXE GARAGE OWNERS POLICY
GO 7E6450

Policy Term 11/01/01 to 11/01/02
 12:01 A.M. Standard Time
 Issue Date 04/30/02
 Change Effective 12/13/01
 Agent Code 10-0369

GRADY'S TIRE & AUTO SERVICE

LIMIT: \$25,000
 DEDUCTIBLES: \$100 COMPREHENSIVE
 \$500 COLLISION
 Premium \$25

FORMS AND ENDORSEMENTS

		Loc/ State Bldg
PJ0001E	0895 Policy Jacket	
BO7126	0589 Total Building Replacement Cost Protection Endorsement	
CG7149	0395 Lead Liability Exclusion	
IL0003	0498 Calculation of Premium	
IL0021	0498 Nuclear Energy Liability Exclusion Endorsement (Broad Form)	
IL7131	0498 Exclusion of Certain Computer-Related Losses	
PT0119	0395 Deluxe Garage Owners Common Policy Conditions	
GO7053	1200 Alabama Changes	
BO7305	0395 Garage Business Owners Property Form	
CA0005	1001 Garage Coverage Form	
*GEN ENDR01	General Endorsement 01	
GO7002	0395 Deluxe Garage Owners Amendatory Endorsement	
Z887	1299 Direct Claims Reporting Saves You Time and Money	

* Indicates a New or Replacement Form.

GO 7E 64 50 DELUXE GARAGE OWNERS POLICY GO 7E 64 50
 NEW BUSINESS DECLARATIONS
 RISK NEW 11/01/01 HARLEYSVILLE MUTUAL INSURANCE COMPANY DIRECT BILL
 HARLEYSVILLE PA 19438
 GRADY'S TIRE AND MALLORY AGENCY GREENSBORO BRANCH
 AUTO SERVICE, INC. PO BOX 1209
 PO BOX 97 LAGRANGE GA 30241
 OPELIKA AL 36801
 11/01/01 TO 11/01/02

FORM OF BUSINESS: CORPORATION

10-0369
 AGENT'S PHONE # 706-884-3339

BUSINESS DESCRIPTION: AUTOMOBILE TIRE DEALER

TOTAL ANNUAL POLICY PREMIUM: \$9,942.00
 TOTAL POLICY PREMIUM: \$9,942.00
 \$9,942.00

THE AMOUNT SHOWN ABOVE IS THE TOTAL AMOUNT DUE. THIS PREMIUM IS DUE AS INDICATED ON THE PREMIUM INVOICE. FAILURE TO REMIT WHEN DUE CAN RESULT IN THE CANCELLATION OF YOUR POLICY. IF YOU REQUEST CANCELLATION, THERE IS A MINIMUM PREMIUM RETENTION FOR THIS POLICY OF \$75. INSURANCE IS AFFORDED ONLY WITH RESPECT TO THE COVERAGES LISTED. THE LIMIT OF OUR LIABILITY SHALL BE AS STATED HEREIN SUBJECT TO ALL TERMS OF THE POLICY. FOR SPECIFIC PROVISIONS AND COVERAGE DEFINITIONS APPLICABLE TO THE FOLLOWING SCHEDULES, REFER TO THE APPROPRIATE ATTACHED FORM OR ENDORSEMENT. A SCHEDULE OF FORMS AND ENDORSEMENTS MADE PART OF THIS POLICY CAN BE FOUND AT THE END OF THIS DECLARATIONS.

**** SCHEDULE OF LOCATIONS/PREMISES ****

LOC NO	LOCATION DESCRIPTION
01	1212 FIRST AVENUE OPELIKA AL 36801

**** SCHEDULE OF COVERAGES ****

SECTION I: PROPERTY COVERAGES SECTION I DEDUCTIBLE: \$500

LOC 01 BLDG 001

CLASS	LIMIT OF INSURANCE
AUTO PARTS STORES	
BUILDING	\$240,000
INCLUDING ABOVE/BELOW GROUND TANKS AND RELATED EQUIPMENT (IF ANY)	
BUSINESS PERSONAL PROPERTY	\$160,000
BUSINESS INCOME AND EXTRA EXPENSE	REFER TO POLICY TEXT
ACCOUNTS RECEIVABLE	\$25,000

GO 7E 64 50 END 00 01 01 PAGE 1 CONTINUED

X
 02/13/02

MONEY AND SECURITIES	INSIDE THE PREMISES	\$25,000
	OUTSIDE THE PREMISES	\$25,000
VALUABLE PAPERS AND RECORDS COVERAGE		\$5,000
DAMAGE TO LEASED PROPERTY		\$10,000
FIRE LEGAL LIABILITY		\$100,000

OPTIONAL COVERAGES -

EXTERIOR GLASS - BASEMENT/GROUND FLOOR

OTHER COVERAGES AND ENDORSEMENTS -

TOTAL BUILDING REPLACEMENT COST PROTECTION
 ENDORSEMENT

CONTINUE NEXT FRAME

□ **LOC 01 BLDG 002**

*** A18 ***

LIMIT OF INSURANCE

CLASS: AUTO PARTS STORES

BUILDING	\$60,000
INCLUDING ABOVE/BELOW GROUND TANKS AND RELATED EQUIPMENT (IF ANY<	
BUSINESS PERSONAL PROPERTY	\$80,000
BUSINESS INCOME AND EXTRA EXPENSE.	REFER TO POLICY TEXT
ACCOUNTS RECEIVABLE	\$25,000
MONEY AND SECURITIES	INSIDE THE PREMISES \$25,000
	OUTSIDE THE PREMISES \$25,000
VALUABLE PAPERS AND RECORDS COVERAGE.	\$5,000
DAMAGE TO LEASED PROPERTY.	\$10,000
FIRE LEGAL LIABILITY	\$100,000

OPTIONAL COVERAGES -

ACTUAL CASH VALUE

APPLIES TO BUILDING ONLY

LOC 01 BLDG 003

LIMIT OF INSURANCE

CLASS: AUTO BODY SHOP

BUILDING	\$40,000
INCLUDING ABOVE/BELOW GROUND TANKS AND RELATED EQUIPMENT (IF ANY<	
BUSINESS PERSONAL PROPERTY	\$20,000
BUSINESS INCOME AND EXTRA EXPENSE.	REFER TO POLICY TEXT
ACCOUNTS RECEIVABLE	\$25,000
MONEY AND SECURITIES	INSIDE THE PREMISES \$25,000
	OUTSIDE THE PREMISES \$25,000
VALUABLE PAPERS AND RECORDS COVERAGE.	\$5,000
DAMAGE TO LEASED PROPERTY.	\$10,000
FIRE LEGAL LIABILITY	\$100,000

GO 7E 64 50 END 00 01 01 PAGE 2 CONTINUED

X
02/13/02

OTHER COVERAGES AND ENDORSEMENTS -

TOTAL BUILDING REPLACEMENT COST PROTECTION
ENDORSEMENT

LOC 01 BLDG 004

LIMIT OF INSURANCE

CLASS: AUTO PARTS STORES

BUILDING	\$60,000
INCLUDING ABOVE/BELOW GROUND TANKS AND RELATED EQUIPMENT (IF ANY<	
BUSINESS PERSONAL PROPERTY	\$12,500
BUSINESS INCOME AND EXTRA EXPENSE.	REFER TO POLICY TEXT
ACCOUNTS RECEIVABLE	\$25,000

MONEY AND SECURITIES INSIDE THE PREMISES \$25,000

CONTINUE NEXT FRAME

*** B18 ***

VALUABLE PAPERS AND RECORDS COVERAGE. \$25,000
 DAMAGE TO LEASED PROPERTY. \$5,000
 FIRE LEGAL LIABILITY \$10,000
 \$100,000

OTHER COVERAGES AND ENDORSEMENTS -

TOTAL BUILDING REPLACEMENT COST PROTECTION
 ENDORSEMENT

LOC 01 BLDG 005

LIMIT OF INSURANCE

CLASS: AUTO PARTS STORES

BUSINESS PERSONAL PROPERTY \$80,000
 BUSINESS INCOME AND EXTRA EXPENSE. REFER TO POLICY TEXT
 ACCOUNTS RECEIVABLE \$25,000
 MONEY AND SECURITIES INSIDE THE PREMISES \$25,000
 OUTSIDE THE PREMISES \$25,000
 VALUABLE PAPERS AND RECORDS COVERAGE. \$5,000
 DAMAGE TO LEASED PROPERTY. \$10,000
 FIRE LEGAL LIABILITY \$100,000

SECTION I: OPTIONAL COVERAGES

EMPLOYEE DISHONESTY - 17 EMPLOYEE(S) . . . EACH OCCURRENCE \$25,000

SECTION II: GARAGE LIABILITY

LIMIT OF INSURANCE

EACH ACCIDENT-GARAGE OPERATIONS-AUTO ONLY. \$1,000,000
 EACH ACCIDENT-GARAGE OPERATIONS-OTHER THAN AUTO ONLY . . . \$1,000,000
 PERSONAL INJURY AND ADVERTISING INJURY \$1,000,000
 AGGREGATE-GARAGE OPERATIONS-OTHER THAN AUTO ONLY \$3,000,000
 MEDICAL PAYMENTS \$5,000

GO 7E 64 50 END 00 01 01 PAGE 3 CONTINUED

X
 02/13/02

*** SCHEDULE OF COVERAGES AND COVERED AUTOS ***

THIS POLICY PROVIDES THOSE COVERAGES SHOWN BELOW. EACH OF THESE COVERAGES WILL APPLY ONLY TO THOSE "AUTOS" SHOWN AS COVERED "AUTOS". "AUTOS" ARE SHOWN AS COVERED "AUTOS" FOR A PARTICULAR COVERAGE BY THE ENTRY OF ONE OR MORE OF THE SYMBOLS FROM THE COVERED AUTO SECTION OF THE GARAGE COVERAGE FORM NEXT TO THE NAME OF THE COVERAGE. ENTRY OF A SYMBOL NEXT TO LIABILITY PROVIDES COVERAGE FOR "GARAGE OPERATIONS".

---COVERAGES---	COVERED AUTO ---SYMBOLS---	---LIMITS---	---PREMIUM---
LIABILITY	28,29	AS STATED IN THE DECLARATIONS	\$3,088
GARAGEKEEPERS COMPREHENSIVE	30	REFER TO ITEM SIX	\$421
GARAGEKEEPERS COLLISION	30	REFER TO ITEM SIX	\$156

**** ITEM SIX ****

*** GARAGEKEEPERS COVERAGES ***

CONTINUE NEXT FRAME

*** C18 ***

☐ LOC COVERAGE

LIMIT OF INSURANCE FOR EACH LOCATION

01 COMPREHENSIVE

\$120,000 MINUS \$500 DEDUCTIBLE FOR
EACH COVERED AUTO. A \$2,500 MAXIMUM
DEDUCTIBLE APPLIES FOR ALL SUCH LOSS IN
ANY ONE EVENT

01 COLLISION

\$120,000 MINUS \$500 DEDUCTIBLE FOR
EACH COVERED AUTO.

DIRECT COVERAGE (PRIMARY< - GARAGEKEEPERS COVERAGE IS CHANGED TO APPLY WITHOUT
REGARD TO YOUR OR ANY OTHER "INSUREDS" LEGAL LIABILITY FOR "LOSS" TO A
COVERED "AUTO" AND IS PRIMARY INSURANCE.

**** SCHEDULE OF FORMS AND ENDORSEMENTS ****

LOC/
STATE BLDG

*PJ0001E 0895 POLICY JACKET
*BO7126 0589 TOTAL BUILDING REPLACEMENT COST PROTECTION
ENDORSEMENT
*CG7149 0395 LEAD LIABILITY EXCLUSION
*IL0003 0498 CALCULATION OF PREMIUM
*IL0021 0498 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(BROAD FORM<
*IL7131 0498 EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
*PT0119 0395 DELUXE GARAGE OWNERS COMMON POLICY CONDITIONS
*GO7053 1200 ALABAMA CHANGES
*ST7181 0496 IF YOUR POLICY PROVIDES PROPERTY INSURANCE ON A
BUILDING, YOU SHOULD KNOW...

GO 7E 64 50 END 00 01 01 PAGE 4 CONTINUED

X
02/13/02

*BO7305 0395 GARAGE BUSINESS OWNERS PROPERTY FORM
*CA0005 1001 GARAGE COVERAGE FORM
*GO7002 0395 DELUXE GARAGE OWNERS AMENDATORY ENDORSEMENT
*Z887 1299 DIRECT CLAIMS REPORTING SAVES YOU TIME AND MONEY

* ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED.

* * * * *

** END OF DECLARATIONS **

GO 7E 64 50 END 00 01 01 PAGE 5

X
02/13/02

GO 7E 64 50

DELUXE GARAGE OWNERS

GO 7E 64 50

Harleysville Mutual Insurance Company

**355 Maple Avenue
Harleysville, Pennsylvania 19438**



This policy jacket with the policy provisions, declarations or information page, and endorsements, if any, completes this policy.

We will provide the insurance described in this policy in return for the premium and compliance with all applicable policy provisions.

Mutual Conditions

This policy is non-assessable. Upon acceptance of this policy, the insured becomes a member of the Company but such membership shall terminate if and when the policy of insurance shall be terminated, without renewal, for any reason whatsoever. The insured shall participate in the distribution of dividends to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provision of law.

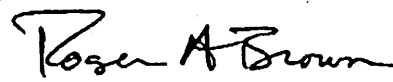
Annual Meeting

As a member of the Company the insured is entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meeting is held in the Company's home office, Harleysville, Pennsylvania on the fourth Wednesday of April in each year at 11:00 o'clock a.m. The inclusion of this notice in this policy shall constitute notice of the time and place of the Annual meeting.

In Witness Whereof, the Company has caused this policy to be executed and attested.



Walter R. Bateman
President



Roger A. Brown
Secretary

This endorsement modifies insurance provided by the following:

BUSINESS OWNERS POLICY

**BO-7126
(Ed. 5-89)**

TOTAL BUILDING REPLACEMENT COST PROTECTION ENDORSEMENT

We agree to amend the present coverage amounts indicated under Coverage A - Building - shown on the Declarations page, in accordance with the following provisions.

I. If you agree to:

- a. insure the building to 100% of its replacement cost determined by accurate completion of our Replacement Cost Valuation System and pay the premium charged;
- b. allow us to adjust annually the Coverage A - Building - Limit of Insurance and premium as determined by our Replacement Cost Valuation System;
- c. notify us within 90 days of the start of any alterations to the building on the premises which increases the replacement cost by 5% or more and pay any resulting additional premium;
- d. repair or replace the damaged building.

II. We will:

- a. increase the Coverage A Limit of Insurance to equal the current replacement cost of the building if the amount of loss to the building is more than the Limit of Insurance on the Declarations page;
- b. adjust the policy premium from the time of

loss for the remainder of the policy term based on the increased Limits of Insurance.

III. If you comply with the provisions of this endorsement and there is a loss to a building insured under Coverage A, Section I, then, under PROPERTY LOSS CONDITIONS - LOSS PAYMENT replacement cost is deleted and replaced by the following:

- a. Buildings under Coverage A at replacement cost without deduction for depreciation. We will pay no more than the smallest of the following amounts for equivalent construction intended for the same occupancy and use on the same premises.
 - (1) the replacement cost of the building or any parts of it;
 - (2) the amount actually and necessarily spent to repair or replace the building or any parts of it;
 - (3) the applicable limit of insurance in accordance with paragraph II, a. above.
- b. We will pay no more than the Limit of Insurance shown on the Declarations page before any increase resulting from paragraph II, a. above, until actual repair or replacement is completed.

All other provisions of this policy apply.

This endorsement must be attached to a Change Endorsement when issued after the policy is written.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
BUSINESS OWNERS POLICY
CONTRACTORS BUSINESS OWNERS POLICY
DELUXE GARAGE OWNERS POLICY**

**CG-7149
(Ed. 3-95)**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD LIABILITY EXCLUSION

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal injury" arising out of or caused by the actual or alleged:
 - (a) exposure to or existence of lead, paint containing lead, or any other material or substance containing lead; or
 - (b) manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing leadwhether or not the lead is or was at any time airborne as a particle contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever;
- (2) Any legal obligation of any insured for indemnification or contribution due to damages arising out of "bodily injury," "property damage" or "personal injury" caused by lead, paint containing lead, or any other substance or material containing lead;
- (3) Any loss, cost, expense or damages, whether direct or consequential, arising out of any:
 - (a) request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat, or neutralize lead, paint containing lead, or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or
 - (b) claim or suit relating to, testing for, monitoring, cleaning up, removing, abating, containing, treating, or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.

INTERLINE
IL 00 03 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NUCLEAR ENERGY LIABILITY EXCLUSION
ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
TRANSPORTATION
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

- A. Under any Liability Coverage, to "bodily injury" or "property damage":**
- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

This endorsement applies to all coverages provided by the following including any forms or endorsements attached thereto:

**BUSINESS OWNERS POLICY
CONTRACTORS BUSINESS OWNERS POLICY
DELUXE GARAGE OWNERS POLICY**

IL-7131
(Ed. 4-98)

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

- I. The following exclusion applies to SECTION I - Property Coverage:
 - A. We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
 1. The failure, malfunction, inability or inadequacy of:
 - a. Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including microprocessors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system;
 - (6) Telecommunications equipment; or
 - (7) Any other computerized or electronic equipment or components; or
 - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph I.A.1.a. of this endorsement;
- which is in any way related to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph I.A.1. of this endorsement.
- B. If your policy includes the following coverages and an excluded loss ("loss") as described in Paragraph I.A. of this endorsement results in a:
 1. Covered Cause of Loss as defined under your Systems Breakdown Endorsement, we will pay only for the loss ("loss") or damage caused by such Covered Cause of Loss;
 2. Covered Cause of Loss as defined under your Basic Business Owners Policy, we will pay only for the loss ("loss") or damage caused by such Covered Cause of Loss;
 3. "Specified Cause of Loss" as defined, or in elevator collision resulting from mechanical breakdown, under your Deluxe Business Owners Policy, Contractors Business Owners Policy or Deluxe Garage Owners Policy, we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss" or elevator collision;

we will pay for resulting or ensuing loss ("loss") under Paragraph I.B. of this endorsement only if the resulting or ensuing loss ("loss") is physical injury to tangible property.
- C. We will not pay for repair, replacement or modification of any items in Paragraphs I.A.1.a. and I.A.1.b. of this endorsement to correct any deficiencies or change any features.
- II. This endorsement applies to all coverages provided by this policy including all forms and endorsements attached thereto.

DELUXE GARAGE OWNERS COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2) After damage by a covered cause of loss, permanent repairs to the building:
 - (a) Have not started, and
 - (b) Have not been contracted for,within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
 - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
 - (5) Failure to:
 - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
 - b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsements issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or changes in your business operations, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

GARAGE BUSINESS OWNERS PROPERTY COVERAGES ARE SUBJECT TO THE FOLLOWING ADDITIONAL CONDITIONS:

G. CONCEALMENT, MISREPRESENTATION OR FRAUD

This policy is void in any case of fraud by you at any time as it relates to this policy. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

H. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

I. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

J. OTHER INSURANCE

If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm;
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

**IF YOUR POLICY PROVIDES PROPERTY INSURANCE ON A BUILDING,
YOU SHOULD KNOW...**

- A building valuation may be completed each year based on information submitted with your application for insurance. Your building limits of insurance may be increased based on the company's Building Cost Valuation Guide and any coinsurance requirements at the time of valuation. This estimated valuation is not a substitute for a detailed appraisal.
- If we do not complete a valuation of your building(s), we may increase the building amount of insurance at renewal, based on national statistics for changes in costs of construction and inflation.
- If your policy provides Total Building Replacement Cost Protection Coverage, this coverage requires that you agree to insure for 100% of building value. We will complete a building valuation each year based on information submitted with your application for insurance. In accordance with the terms of Total Building Replacement Cost Protection Coverage, your limits may be increased based on the company's Building Cost Valuation Guide. This estimated valuation is not a substitute for a detailed appraisal.

PLEASE CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS ABOUT BUILDING VALUATION, COINSURANCE, TOTAL BUILDING REPLACEMENT COST PROTECTION COVERAGE OR YOUR BUILDING LIMITS OF INSURANCE.

This endorsement modifies insurance provided under the following:

Deluxe Garage Owners Policy

GO-7053
(Ed. 12-00)

Alabama Changes

A. The following exclusion and related provisions are added to Section B. **Exclusions**, paragraph 2, in the Garage Business Owners Property Form:

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny coverage to an innocent co-insured when the loss or damage is otherwise covered under this policy and is proximately related to and in furtherance of an abusive act by an insured who is a family or household member. Such coverage will be provided only if the innocent co-insured:
 - a. Provides evidence of the abuse to us, to demonstrate that the loss is abuse-related; and
 - b. For the act causing the loss, either:
 - (1) Files a complaint under the Protection From Abuse Act against the abuser, and does not voluntarily dismiss the complaint; or

(2) Seeks a warrant for the abuser's arrest and cooperates in the prosecution of the abuser.

3. If we pay a claim pursuant to Paragraph A.2., our payment to the innocent co-insured is limited to that insured's legal interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

B. The following is added to the Transfer Of Rights Of Recovery Against Others To Us Condition:

If we pay an innocent co-insured for loss arising out of an act of abuse by another insured, the rights of the innocent co-insured to recover damages from the abuser are transferred to us to the extent of our payment. Following the loss, the innocent co-insured may not waive such rights to recover against the abuser.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

f. War and Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslides or mudflow;

(3) Water that backs up from a sewer or drain; or

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Electrical Apparatus: Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

b. Consequential Losses: Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas: Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus: Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing: Water that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the water supply if the heat is not maintained.

f. Dishonesty: Dishonest or criminal act by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees;
but theft by employees is not covered.

- g. **False Pretense:** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- h. **Exposed Property:** Rain, snow, ice or sleet to personal property in the open.

- i. **Collapse:** Collapse, except as provided in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.

- j. **Pollution:** We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss."

k. Other Types of Loss:

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage.

- 3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

- a. **Weather Conditions:** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

- b. **Acts or Decisions:** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. **Negligent Work:** Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Business Income and Extra Expense Exclusions. We will not pay for:

- a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

- (1) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your Business Income during the "period of restoration."

- b. Any other consequential loss.

C. LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The limits applicable to the Coverage Extensions and the Fire Department Service Charge, Pollutant Clean Up and Removal, Reward and Fire Extinguisher Recharge Additional Coverages are in addition to the Limits of Insurance.
3. **Business Personal Property Limit - Seasonal Increase**
 - a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
 - b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. No deductible applies to the following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Business Income;
 - c. Extra Expense;
 - d. Accounts Receivable;
 - e. Money and Securities;
 - f. Valuable Papers;
 - g. Fire Extinguisher Recharge Expense; and
 - h. Reward.
3. No deductible applies to the following Coverage Extensions:
 - a. Loss Adjustment Expense
 - b. Lock Replacement
4. No deductible applies to the following Optional Coverages;
 - a. Outdoor Signs;
 - b. Exterior Glass;
 - c. Interior Glass; and
 - d. Employee Dishonesty.

E. PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Limitation - Electronic Media and Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises, due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1.

The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

6. Loss Payment

In the event of loss or damage covered by this policy:

- a. We will not pay you more than your financial interest in the Covered Property.
- b. We will either:
 - (1) Pay the value of lost or damaged property, as described in paragraph d. below;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, plus any reduction in value of re-paired items;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will determine the value of Covered Property as follows:
 - (1) At replacement cost (without deduction for depreciation), except as provided in (2) through (7) below.
 - (a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
 - (b) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
 - (c) We will not pay more for loss or damage on a replacement cost basis than the least of:
 - (i) The cost to replace, on the same premises, the lost or damaged property with other property;
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or
 - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
 - (2) If the "Actual Cash Value" option applies, as shown in the Declarations, paragraph 6 d. (1) above does not apply. Instead, we will determine the value of covered property at actual cash value.
 - (3) The following property at actual cash value:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others; leased property valued at replacement cost if actual cash value option does not apply.
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts;
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
 - (4) Glass at the cost of replacement with safety glazing material if required by law.
 - (5) Tenant's Improvements and Betterments at:
 - (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (c) Nothing if others pay for repairs or replacement.
 - (6) Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - (a) Blank materials for reproducing the records; and
 - (b) Labor to transcribe or copy the records.

(7) Applicable only to Accounts Receivable

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:

- (i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
- (ii) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

(b) The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (i) The amount of the accounts for which there is no loss or damage;
- (ii) The amount of the accounts that you are able to re-establish or collect;
- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
- (iv) All unearned interest and service charges.

(8) "Money" at its face value

(9) "Securities" at their value at the close of business on the day the loss is discovered.

e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owner's property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:

- (1) You have complied with all of the terms of this policy; and
- (2) (a) We have reached agreement with you on the amount of loss; or
- (b) An appraisal award has been made.

7. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

8. Resumption of Operations

We will reduce the amount of your:

a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

9. Vacancy

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

a. Not pay for any loss or damage caused by:

- (1) Vandalism; or
- (2) Sprinkler leakage, unless you have protected the system against freezing;
- (3) Building glass breakage;
- (4) Water damage;
- (5) Theft; or
- (6) Attempted theft.

b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

Buildings under construction are not considered vacant.

F. PROPERTY GENERAL CONDITIONS

1. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. If you violate a condition of this policy, we will not pay for loss or damage at the involved location. But your coverage will continue for other locations at which the violation does not apply.

2. Mortgage Holders

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgage holder will have the right to receive loss payment if the mortgage holder:
 - (1) Pays any premium due under this policy at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this policy will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
 - (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.
- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we do not renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

3. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. Paragraph A.3., Covered Cause of Loss, and Section B., Exclusions, do not apply to this Optional Coverage except for:
 - (1) Paragraph B.1.c., Governmental Action;
 - (2) Paragraph B.1.d., Nuclear Hazard; and
 - (3) Paragraph B.1.f., War and Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion; or
 - (5) Mechanical breakdown.
- d. The most we will pay for loss of or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Exterior Glass

- a. We will pay for direct physical loss of or damage to glass that is part of the exterior of a covered building or structure at the described premises, including lettering and ornamentation, provided the glass is:
 - (1) On the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to exterior glass on all floors; and
 - (2) Owned by you, or owned by others but in your care, custody or control.
- b. We will also pay for necessary:
 - (1) Expenses incurred to put up temporary plates or board up openings;
 - (2) Repair or replacement of encasing frames; and
 - (3) Expenses incurred to remove or replace obstructions.
- c. Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:
 - (1) Paragraph B.1.c., Governmental Action;
 - (2) Paragraph B.1.d., Nuclear Hazard; and
 - (3) Paragraph B.1.f., War and Military Action.
- d. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Corrosion; or
 - (4) Rust.
- e. This Optional Coverage supersedes all limitations in this policy that apply to exterior glass.

3. Interior Glass

- a. We will pay for direct physical loss of or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a covered building or structure at the described premises, provided each item is:
 - (1) Described in the Declarations as covered under this Optional Coverage; and
 - (2) Located in the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to interior glass at all floors; and
 - (3) Owned by you, or owned by others but in your care, custody or control.
- b. We will also pay for necessary:

- (1) Expenses incurred to put up temporary plates or board up openings;
- (2) Repair or replacement of encasing frames; and
- (3) Expenses incurred to remove or replace obstructions.

c. Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:

- (1) Paragraph B.1.c., Governmental Action;
- (2) Paragraph B.1.d., Nuclear Hazard; and
- (3) Paragraph B.1.f., War and Military Action.

d. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Corrosion; or
- (4) Rust.

e. With respect to this Optional Coverage, all limitations elsewhere in this policy that apply to interior glass are eliminated.

4. Employee Dishonesty

a. We will pay for direct loss of or damage to Business Personal Property, including "money" and "securities," resulting from dishonest acts committed by any of your employees acting alone or in collusion with persons (except you or your partner) with the manifest intent to:

- (1) Cause you to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.

b. We will not pay for loss or damage:

- (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
- (2) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.

c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.

d. All loss or damage:

- (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
- is considered one occurrence.

e. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

f. This Optional Coverage does not apply to any employee immediately upon discovery by:

- (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.

g. We will pay only covered loss or damage discovered no later than one year from the end of the Policy Period.

h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which you discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:

- (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

- (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
- (1) This Optional Coverage as of its effective date; or
- (2) The prior insurance had it remained in effect.

5. Building Limit - Automatic Increase

- a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
- (1) The Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, times
- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If: The applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$$\$100,000 \times .08 \times 146 / 365 = \$3,200.$$

H. PROPERTY DEFINITIONS

1. **"Auto Hoist"** means any hydraulic or mechanical device used to raise or lower a motor vehicle for servicing; but "auto hoist" does not mean any portable or movable jack or lift.
2. **"Auto Hoist Collision"** means the collision of:
 - a. Any part of an "auto hoist" with another object; or
 - b. Anything carried on an "auto hoist" with a part of the "auto hoist" or with any other object.
3. **"Money"** means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
4. **"Operations"** means your business activities occurring at the described premises.
5. **"Period of Restoration"** means the period of time that:
 - a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or access the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."
6. **"Perishable Stock"** means property:
 - a. Maintained under controlled temperature or humidity conditions for preservation; and
 - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

7. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
8. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money."
9. **"Specified Causes of Loss"** means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. It does not include the cost of filling sinkholes.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.
10. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

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GARAGE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI – Definitions.

SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
21	Any "Auto"	
22	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
23	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
24	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
25	Owned "Autos" Subject To No-Fault	Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
26	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
27	Specifically Described "Autos"	Only those "autos" described in Item Seven of the Non-Dealers' and Trailer Dealers' Supplementary Schedule or Item Nine of the Dealers' Supplementary Schedule for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to a power unit described in Item Seven or Item Nine).
28	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees", partners, (if you are a partnership), members (if you are a limited liability company) or members of their households.
29	Non-Owned "Autos" Used In Your Garage Business	Any "auto" you do not own, lease, hire, rent or borrow used in connection with your garage business described in the Declarations. This includes "autos" owned by your "employees" or partners (if you are a partnership), members (if you are a limited liability company), or members of their households while used in your garage business.

Symbol	Description Of Covered Auto Designation Symbols
30	"Autos" Left With You For Service, Repair, Storage Or Safe-keeping Any customer's land motor vehicle or trailer or semitrailer while left with you for service, repair, storage or safekeeping. Customers include your "employees", and members of their households, who pay for the services performed.
31	Dealers "Autos" And "Autos" Held For Sale By Non-Dealers Or Trailer Dealers (Physical Damage Coverages) Any "autos" and the interests in these "autos" described in Item Seven of the Dealers' Supplementary Schedule or Item Nine of the Non-Dealers' and Trailer Dealers' Supplementary Schedule.

B. Owned Autos You Acquire After The Policy Begins

1. If Symbols 21, 22, 23, 24, 25, or 26 are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol 27 is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers And Temporary Substitute Autos

If Liability coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;

- c. Servicing;
- d. "Loss"; or
- e. Destruction.

SECTION II – LIABILITY COVERAGE

A. Coverage

1. "Garage Operations" – Other Than Covered "Autos"

- a. We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies caused by an "accident" and resulting from "garage operations" other than the ownership, maintenance or use of covered "autos".

We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the applicable Liability Coverage Limit of Insurance – "Garage Operations" – Other Than Covered "Autos" has been exhausted by payment of judgments or settlements.

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "accident" occurs in the coverage territory;
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and

GARAGE BUSINESS OWNERS PROPERTY FORM**Section 1**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - PROPERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this policy, means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. **Buildings**, meaning the buildings and structures at the premises described in the Declarations, including;

- (1) Garages and storage buildings;
- (2) Above and below ground gasoline, diesel or kerosine fuel storage tanks including piping and connections pertaining thereto;
- (3) Completed additions;
- (4) Permanently installed fixtures, machinery and equipment including gasoline, diesel or kerosine fuel pumps and their electrical equipment;
- (5) Your personal property in apartments or rooms furnished by you as landlord;
- (6) Outdoor fixtures;
- (7) Personal Property owned by you that is used to maintain or service the buildings or structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (8) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

b. **Business Personal Property** located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business including gasoline, diesel or kerosine fuel held for sale located in above and below ground storage tanks at the premises described in the declarations;
- (2) Property of others that is in your care, custody or control; but this property is not covered for more than the amount for which you are legally liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others; and
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions.
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motor trucks and other vehicles subject to motor vehicle registration;
- b. Bullion, "money" or "securities";
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns;
- e. Trees, shrubs or plants except as provided in the Outdoor Property Coverage Extension;
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Animals, unless owned by others and boarded by you or if owned by you only as **stock** while inside of buildings. The most we will pay for loss or damage for covered animals is \$2,500, but not more than \$250 for any one animal.

3. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in Section B., Exclusions; or
 - b. Limited in Paragraph A4., Limitations;
- that follow.

4. Limitations

a. We will not pay for loss of or damage to:

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- (2) Hot water boilers or other water heating equipment caused by or resulting from a condition or event inside such boilers or equipment, other than an explosion.
- (3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Optional Coverage for Money and Securities.
- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

b. With respect to glass (other than glass building blocks) that is part of the interior or exterior of a building or structure, or part of an outdoor sign, we will not pay more than \$500 for the total of all loss or damage in any one occurrence. Subject to the \$500 limit on all loss or damage, we will not pay more than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.

This Limitation does not apply to loss or damage by the "specified causes of loss," except vandalism.

c. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware or porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:

- (1) Glass that is part of the interior or exterior of a building or structure;
- (2) Containers of property held for sale; or
- (3) Photographic or scientific instrument lenses.

d. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days or the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- (2) The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct loss or damage; plus
 - (b) The deductible in this policy applicable to that loss or damage.But this limitation does not apply to any additional debris removal limit provided in paragraph (4) below.
- (3) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (4) If:
 - (a) The sum of loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph 5 a. (2) above;We will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 20 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

d. Fire Extinguisher Recharge Expense

We will pay the cost of recharging your fire extinguishing systems (including hydrostatic testing if needed) or replacing the fire extinguishers or fire extinguishing systems, whichever is less, ~~because they are discharged as a result of fighting a fire on or within 100 feet of the described premises.~~

The most we will pay under this Additional Coverage is \$2,500 in any one occurrence.

e. Reward

We will pay up to \$5,000 as a reward for information which leads to an arson conviction or theft conviction in connection with a fire or theft loss covered under this policy. Regardless of the number of persons involved in providing information, the limit of our liability under this Additional Coverage shall not be increased.

f. Collapse

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

- (1) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
- (2) Hidden decay;
- (3) Hidden insect or vermin damage;
- (4) Weight of people or personal property;
- (5) Weight of rain that collects on a roof;
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation.

We will not pay for loss of or damage to the following types of property, if otherwise covered in this policy, under items (2), (3), (4), (5) and (6) unless the loss or damage is a direct result of the collapse of a building:

awnings; gutters and downspouts; yard fixtures; outdoor swimming pools; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

g. Water Damage

If loss or damage caused by or resulting from a covered water damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or steam escapes.

We will not pay the cost of repairing or replacing the system or appliance itself; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in sprinkler leakage; or
- (2) Is directly caused by freezing.

h. Sewer Back Up

We will pay for loss caused by the back up of water from a sewer or drain. The most we will pay under this additional coverage is \$2,500 in any one occurrence.

i. Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration." The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from any Covered Cause of Loss.

We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

j. Extended Business Income

We will pay for the actual loss of Business Income you incur during the period that:

- (1) Begins on the date property (except "stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore your "operations" with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or
 - (b) 30 consecutive days after the date determined in (1) above.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

k. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from a Covered Cause of Loss.

Extra Expense means expense incurred:

- (1) To avoid or minimize the suspension of business and to continue "operations":
 - (a) At the described premises; or
 - (b) At replacement premises or at temporary locations, including:
 - (i) Relocation expenses; and
 - (ii) Costs to equip and operate the replacement or temporary locations.
- (2) To minimize the suspension of business if you cannot continue "operations."
- (3) (a) To repair or replace any property; or
 - (b) To research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage g. Business Income.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This additional Coverage is not subject to the Limits of Insurance.

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to two consecutive weeks from the date of that action.

m. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. This limit is in addition to the Limits of Insurance.

n. Money and Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution or within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
 - (a) The limit shown in the Declarations for "Inside the Premises" for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) The limit shown in the Declarations for "Outside the Premises" for "money" and "securities" while anywhere else.
- (4) All loss:
 - (a) caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
 is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

o. Damage to Rented Buildings

We will pay your expense to repair damage caused by criminal acts of others to the building rented by you.

The most we will pay under this additional coverage is \$1,000 in any one occurrence.

p. Mechanical Breakdown - Spoilage

- (1) We will pay for loss or damage to "perishable stock" caused by mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment. This coverage also applies to loss or damage to "perishable stock" that results from contamination by the refrigerant.

Mechanical breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

- (2) We will not pay for loss or damage caused by or resulting from the breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- (3) The most we will pay under this additional coverage is \$2,500 in any one occurrence.

6. Coverage Extensions

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as follows:

a. Newly Acquired or Constructed Property

- (1) You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than \$500,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is 25% of the Limit of Insurance for Your Business Personal Property shown in the Declarations, but not more than \$250,000 at each building.

- (3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;
- (b) 60 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities," while it is in course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

c. Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to direct damage to Personal Property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to Personal Property of others will only be for the account of the owner of the property.

d. Employee Tools

You may extend the insurance that applies to your Business Personal Property to apply to direct damage to tools owned by your employees and located on the described premises.

The most we will pay for loss or damage under this extension is \$2,500 at each described premises. Our payment for loss of or damage to tools owned by employees will only be for the account of the owner of the tools.

e. Outdoor Property

You may extend the insurance provided by this policy to apply to your trees, shrubs and plants, including debris removal expense.

The most we will pay for loss or damage under this Extension is \$5,000, but not more than \$500 for any one tree, shrub or plant.

f. Valuable Papers and Records - Cost of Research

You may extend the insurance that applies to Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those

which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$5,000 at each described premises.

g. Loss Adjustment Expenses

You may extend the insurance provided by this policy to apply to your expenses for preparation of loss data, including inventories and appraisals, in connection with any claim covered under this policy. This Extension will not pay for expenses incurred in using the services of a public adjuster.

The most we will pay under this Extension is \$1,000.

h. Lock Replacement

You may extend the insurance provided by this policy to apply to the cost to repair or replace the door locks or tumblers of your described premises due to theft of your door keys.

The most we will pay under this Extension is \$500 in one occurrence.

i. Damage to Leased Property

(1) You may extend the insurance provided by this Coverage Part to apply to loss or damage caused by motor vehicles, trailers or an "auto hoist collision" to

- (a) "auto hoists";
- (b) buildings;
- (c) fences;
- (d) retaining walls not forming a part of a building; or
- (e) above ground fuel pumps

you lease from others.

(2) The most we will pay for loss or damage in any one occurrence is the limit of insurance for Damage to Leased Property shown in the declarations. Our payment for loss of or damage to property of others in this Extension will only be for the account of the owner of the property.

j. Accounts Receivable

(1) We will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from direct physical loss or damage by any covered causes of to your records of accounts receivable.

(2) Exclusions

(a) Section B., Exclusions, of Section I - Property Coverage does not apply to this Accounts Receivable Coverage, except for;

- (i) Paragraph B.1.c., Governmental Action;
- (ii) Paragraph B.1.d., Nuclear Hazard;
- (iii) Paragraph B.1.f., War and Military Action;

(b) We will not pay for loss or damage caused by or resulting from any of the following:

- (i) Dishonest acts by you, anyone else with an interest in the property, or your or their employees or authorized representatives, or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.
But this exclusion does not apply to a carrier for hire.
- (ii) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (iii) Bookkeeping, accounting or billing errors or omissions.
- (iv) Electrical or magnetic injury, disturbance or erasure of electronic recordings.
But we will pay for direct loss or damage caused by lightning.

- (v) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (vi) Unauthorized instructions to transfer property to any person or to any place.
- (c) We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
- (d) We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.
 - (i) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1.a., 1.b., or 1.c. above to produce the loss or damage.
 - (ii) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - (iii) Faulty, inadequate or defective:
 - a. Planning, zoning, development, surveying, siting;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation or remodeling; or
 - d. Maintenance;

(3) Preservation of Records

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (a) At a safe place away from the described premises;
- (b) Being taken to and returned from that place.

This Coverage Extension is included within the Limit of Insurance applicable to the premises from which the Covered Property is removed.

- (4) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Accounts Receivable shown in the Declarations.

For Accounts Receivable not at any premises described in this policy, the most we will pay is \$2,500.

B. EXCLUSIONS

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.

- (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

- (3) Prior to the policy period, no "insured" listed under **Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "accident" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed "insured" or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "accident" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any "insured" listed under **Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "accident" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

2. "Garage Operations" – Covered "Autos"

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from "garage operations" involving the ownership, maintenance or use of covered "autos".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from "garage operations" involving the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance – "Garage Operations" – Covered "Autos" has been exhausted by payment of judgments or settlements.

3. Who Is An Insured

- a. The following are "insureds" for covered "autos":

- (1) You for any covered "auto".
- (2) Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (a) The owner or anyone else from whom you hire or borrow a covered "auto". This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
 - (b) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
 - (c) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is your "garage operations".
 - (d) Your customers, if your business is shown in the Declarations as an "auto" dealership. However, if a customer of yours:
 - (i) Has no other available insurance (whether primary, excess or contingent), they are an "insured" but only up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.
 - (ii) Has other available insurance (whether primary, excess or contingent) less than the compulsory or financial responsibility law limits where the covered "auto" is principally garaged, they are an "insured" only for the amount by which the compulsory or financial responsibility law limits exceed the limit of their other insurance.

- (e) A partner (if you are a partnership), or a member (if you are a limited liability company), for a covered "auto" owned by him or her or a member of his or her household.
- (3) Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.
- b. The following are "insureds" for "garage operations" other than covered "autos":
 - (1) You.
 - (2) Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders but only while acting within the scope of their duties.

4. Coverage Extensions

a. Supplementary Payments

In addition to the Limit of Insurance, we will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. Out-Of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". But for "garage operations" other than covered "autos" this exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. Contractual

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.
- c. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- d. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above are directed.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving:

- a. Property owned, rented or occupied by the "insured";
- b. Property loaned to the "insured";
- c. Property held for sale or being transported by the "insured"; or
- d. Property in the "insured's" care, custody or control.

But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Leased Autos

Any covered "auto" while leased or rented to others. But this exclusion does not apply to a covered "auto" you rent to one of your customers while their "auto" is left with you for service or repair.

8. Pollution Exclusion Applicable To "Garage Operations" - Other Than Covered "Autos"

- a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (1) At or from any premises, site or location that is or was at any time owned or occupied by, or rented or loaned to, any "insured";
 - (2) At or from any premises, site or location that is or was at any time used by or for any "insured" or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) At or from any premises, site or location on which any "insured" or any contractors or subcontractors working directly or indirectly on any "insured's" behalf are performing operations:
 - (a) To test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of the "pollutants"; or
 - (b) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor; or
 - (4) That are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any "insured" or any person or organization for whom you may be legally responsible.

Paragraphs a.(1) and a.(3)(b) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire. A hostile fire means one that becomes uncontrollable, or breaks out from where it was intended to be.

Paragraph a.(1) does not apply to "bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building.

Paragraph a.(3)(b) does not apply to "bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from material brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor.

- b. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants";
 - (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the "insured" would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

9. Pollution Exclusion Applicable To "Garage Operations" – Covered "Autos"

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";

- (2) Otherwise in the course of transit by or on behalf of the "insured"; or

- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

10. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

11. Watercraft Or Aircraft

Any watercraft or aircraft except watercraft while ashore on premises where you conduct "garage operations".

12. Defective Products

"Property damage" to any of your "products", if caused by a defect existing in your "products" or any part of your "products", at the time it was transferred to another.

13. Work You Performed

"Property damage" to "work you performed" if the "property damage" results from any part of the work itself or from the parts, materials or equipment used in connection with the work.

14. Loss Of Use

Loss of use of other property not physically damaged if caused by:

- a. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- b. A defect, deficiency, inadequacy or dangerous condition in your "products" or "work you performed". But this exclusion, 14.b., does not apply if the loss of use was caused by sudden and accidental damage to or destruction of your "products" or "work you performed" after they have been put to their intended use.

15. Products Recall

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your "products" or "work you performed" or other property of which they form a part, if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

16. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

17. Liquor Liability

"Bodily injury" or "property damage" for which an "insured" may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you use the premises in part for the following purposes:

- (1) Serving or furnishing alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license; or
 - (b) Is for the purpose of financial gain or livelihood; or
- (2) Serving or furnishing alcoholic beverages without a charge, if a license is required for such activity.

C. Limit Of Insurance**1. Aggregate Limit Of Insurance – "Garage Operations" – Other Than Covered "Autos"**

For "garage operations" other than the ownership, maintenance or use of covered "autos", the following applies:

Regardless of the number of "insureds", claims made or "suits" brought or persons or organizations making claims or bringing "suits", the most we will pay for the sum of all damages involving "garage operations" other than "auto" is the Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos" for Liability Coverage shown in the Declarations.

Damages payable under the Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos" consist of damages resulting from "garage operations", other than the ownership, maintenance or use of the "autos" indicated in Section I of this Coverage Form as covered "autos", including the following coverages, if provided by endorsement:

- a. "Personal injury" liability coverage;
- b. "Personal and advertising injury" liability coverage;
- c. Host liquor liability coverage;
- d. Fire legal liability coverage;
- e. Incidental medical malpractice liability coverage;
- f. Non-owned watercraft coverage;
- g. Broad form products coverage.

Damages payable under the Each "Accident" Limit of Insurance – "Garage Operations" – Other Than Covered "Autos" are not payable under the Each "Accident" Limit of Insurance – "Garage Operations" – Covered "Autos".

Subject to the above, the most we will pay for all damages resulting from all "bodily injury" and "property damage" resulting from any one "accident" is the Each "Accident" Limit of Insurance – "Garage Operations" – Other Than Covered "Autos" for Liability Coverage shown in the Declarations.

All "bodily injury" and "property damage" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

The Aggregate Limit of Insurance – "Garage Operations" Other Than Covered "Autos" applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit of Insurance – "Garage Operations" – Other Than Covered "Autos".

2. Limit Of Insurance – "Garage Operations" – Covered "Autos"

For "accidents" resulting from "garage operations" involving the ownership, maintenance or use of covered "autos", the following applies:

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" involving a covered "auto" is the Each "Accident" Limit of Insurance – "Garage Operations" – Covered "Autos" for Liability Coverage shown in the Declarations.

Damages and "covered pollution cost or expense" payable under the Each "Accident" Limit of Insurance – "Garage Operations" – Covered "Autos" are not payable under the Each "Accident" Limit of Insurance – "Garage Operations" – Other Than Covered "Autos".

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

D. Deductible

We will deduct \$100 from the damages in any "accident" resulting from "property damage" to an "auto" as a result of "work you performed" on that "auto".

SECTION III – GARAGEKEEPERS COVERAGE

A. Coverage

1. We will pay all sums the "insured" legally must pay as damages for "loss" to a "customer's auto" or "customer's auto" equipment left in the "insured's" care while the "insured" is attending, servicing, repairing, parking or storing it in your "garage operations" under:

a. Comprehensive Coverage

From any cause except:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft; or
- (3) Mischief or vandalism.

c. Collision Coverage

Caused by:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

2. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any loss to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

3. Who Is An Insured

The following are "insureds" for "loss" to "customer's autos" and "customer's auto" equipment:

- a. You.
- b. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", directors or shareholders while acting within the scope of their duties as such.

4. Coverage Extensions

The following applies as Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "insured":

- a. All expenses we incur.

- b. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- c. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

B. Exclusions

1. This insurance does not apply to any of the following:
 - a. **Contractual Obligations**
Liability resulting from any agreement by which the "insured" accepts responsibility for "loss".
 - b. **Theft**
"Loss" due to theft or conversion caused in any way by you, your "employees" or by your shareholders.
 - c. **Defective Parts**
Defective parts or materials.
 - d. **Faulty Work**
Faulty "work you performed".
2. We will not pay for "loss" to any of the following:
 - a. Tape decks or other sound reproducing equipment unless permanently installed in a "customer's auto".
 - b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
 - c. Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "customer's auto" manufacturer for the installation of a radio.
 - d. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.

C. Limit Of Insurance And Deductible

1. Regardless of the number of "customer's autos", "insureds", premiums paid, claims made or "suits" brought, the most we will pay for each "loss" at each location is the Garagekeepers Coverage Limit of Insurance shown in the Declarations for that location minus the applicable deductibles for "loss" caused by collision; and
 - a. Theft or mischief or vandalism; or
 - b. All perils.
2. The maximum deductible stated in the Declarations for Garagekeepers Coverage Comprehensive or Specified Causes of Loss Coverage is the most that will be deducted for all "loss" in any one event caused by:
 - a. Theft or mischief or vandalism; or
 - b. All perils.
3. Sometimes to settle a claim or "suit", we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

SECTION IV – PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:
 - a. **Comprehensive Coverage**
From any cause except:
 - (1) The covered "auto's" collision with another object; or
 - (2) The covered "auto's" overturn.
 - b. **Specified Causes Of Loss Coverage**
Caused by:
 - (1) Fire, lightning or explosion;
 - (2) Theft;
 - (3) Windstorm, hail or earthquake;
 - (4) Flood;
 - (5) Mischief or vandalism; or
 - (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".
 - c. **Collision Coverage**
Caused by:
 - (1) The covered "auto's" collision with another object; or
 - (2) The covered "auto's" overturn.

2. Towing – Non-Dealers Only

If your business is shown in the Declarations as something other than an "auto" dealership, we will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extension**a. Transportation Expenses**

If your business is shown in the Declarations as something other than an "auto" dealership, we will pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any of the following:

- a. Any covered "auto" leased or rented to others unless rented to one of your customers while their "auto" is left with you for service or repair.
- b. Any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such contest or activity.
- c. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- d. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.

- e. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
- f. Any accessories used with the electronic equipment described in Paragraph e. above.

Exclusions 2.e. and 2.f. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
 - b. Any other electronic equipment that is:
 - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
 - (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.
- 3. False Pretense**
- We will not pay for "loss" to a covered "auto" caused by or resulting from:
- a. Someone causing you to voluntarily part with it by trick or scheme or under false pretenses; or
 - b. Your acquiring an "auto" from a seller who did not have legal title.
- 4. If your business is shown in the Declarations as an "auto" dealership, we will not pay for:**
- a. Your expected profit, including loss of market value or resale value.
 - b. "Loss" to any covered "auto" displayed or stored at any location not shown in Item Three of the Declarations if the "loss" occurs more than 45 days after your use of the location begins.
 - c. Under the Collision Coverage, "loss" to any covered "auto" while being driven or transported from the point of purchase or distribution to its destination if such points are more than 50 road miles apart.

- d. Under the Specified Causes of Loss Coverage, "loss" to any covered "auto" caused by or resulting from the collision or upset of any vehicle transporting it.

- 5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

6. Other Exclusions

We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

- a. Wear and tear, freezing, mechanical or electrical breakdown;
- b. Blowouts, punctures or other road damage to tires.

C. Limits Of Insurance

- 1. The most we will pay for "loss" to any one covered "auto" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of "loss"; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
- 2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
- 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
- 4. For those businesses shown in the Declarations as "auto" dealerships, the following provisions also apply:
 - a. Regardless of the number of covered "autos" involved in the "loss", the most we will pay for all "loss" at any one location is the amount shown in the Auto Dealers Supplementary Schedule for that location. Regardless of the number of covered "autos" involved in the "loss", the most we will pay for all "loss" in transit is the amount shown in the Auto Dealers Supplementary Schedule for "loss" in transit.
 - b. **Quarterly Or Monthly Reporting Premium Basis**

If, on the date of your last report, the actual value of the covered "autos" at the "loss" location exceeds what you last reported, when a "loss" occurs we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing your total reported value for the involved location by the value you actually had on the date of your last report.

If the first report due is delinquent on the date of "loss", the most we will pay will not exceed 75 percent of the Limit of Insurance shown in the Auto Dealers Supplementary Schedule for the applicable location.

c. Non-Reporting Premium Basis

If, when "loss" occurs, the total value of your covered "autos" exceeds the Limit of Insurance shown in the Declarations, we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing the limit by the total values you actually had when "loss" occurred.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations provided that:

1. "Auto" Dealers Only Special Deductible Provisions

If your business is shown in the Declarations as an "auto" dealership:

- a. The Comprehensive or Specified Causes of Loss Coverage deductible applies only to "loss" caused by:

- (1) Theft or mischief or vandalism; or
- (2) All perils.

- b. Regardless of the number of covered "autos" damaged or stolen, the per "loss" deductible for Comprehensive or Specified Causes of Loss Coverage shown in the Declarations is the maximum deductible applicable for all "loss" in any one event caused by:

- (1) Theft or mischief or vandalism; or
- (2) All perils.

2. Non-Dealers Only Special Deductible Provisions

If your business is shown in the Declarations as something other than an "auto" dealership, the Comprehensive Coverage deductible does not apply to "loss" caused by fire or lightning.

SECTION V – GARAGE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire.

The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the accident or "loss". Include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.

- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment – Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover:

- a. "Bodily injury", "property damage" and "losses" occurring; and
- b. "Covered pollution cost or expense" arising out of "accidents" occurring

during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:
 - (1) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
 - (2) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "bodily injury", "property damage", "covered pollution cost or expense" and "losses" while a covered "auto" is being transported between any of these places.

The coverage territory is extended to anywhere in the world if the "bodily injury" or "property damage" is caused by one of your "products" which is sold for use in the United States of America, its territories or possessions, Puerto Rico or Canada. The original "suit" for damages resulting from such "bodily injury" or "property damage" must be brought in one of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION VI – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means a land motor vehicle, "trailer" or semitrailer.
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:
 1. Any request, demand, order or statutory or regulatory requirement; or
 2. Any claim or "suit" by or on behalf of a governmental authority demanding that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

 - a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured";

(3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or

- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if the "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E. "Customer's auto" means a customer's land motor vehicle, "trailer" or semitrailer. It also includes any "customer's auto" while left with you for service, repair, storage or safekeeping. Customers include your "employees", and members of their households who pay for services performed.
- F. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- G. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- H. "Garage operations" means the ownership, maintenance or use of locations for garage business and that portion of the roads or other accesses that adjoin these locations. "Garage operations" includes the ownership, maintenance or use of the "autos" indicated in Section I of this Coverage Form as covered "autos". "Garage operations" also include all operations necessary or incidental to a garage business.

I. "Insured" means any person or organization qualifying as an insured in the Who Is an Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

J. "Insured contract" means:

- 1. A lease of premises;
- 2. A sidetrack agreement;
- 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- 5. That part of any other contract or agreement pertaining to your garage business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
- 6. An elevator maintenance agreement;
- 7. That part of any contract or agreement entered into, as part of your garage business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- 1. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - b. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- 2. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
- 3. That pertains to the loan, lease or rental of an "auto", to you or any of your "employees" if the "auto" is loaned, leased or rented with a driver.

- 4. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- 5. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing.
- K. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- L. "Loss" means direct and accidental loss or damage. But for Garagekeepers Coverage only, "loss" also includes any resulting loss of use.
- M. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- N. "Products" includes:
 - a. The goods or products you made or sold in a garage business; and
 - b. The providing of or failure to provide warnings or instructions.
- O. "Property damage" means damage to or loss of use of tangible property.
- P. "Suit" means a civil proceeding in which:
 - 1. Damages because of "bodily injury" or "property damage"; or
 - 2. A "covered pollution cost or expense", to which this insurance applies, are claimed.
 "Suit" includes:
 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- Q. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- R. "Trailer" includes semitrailer.
- S. "Work you performed" includes:
 - a. Work that someone performed on your behalf; and
 - b. The providing of or failure to provide warnings or instructions.

This endorsement modifies insurance provided under the following:

GARAGE COVERAGE FORM

GO-7002
(Ed. 3-95)

DELUXE GARAGE OWNERS AMENDATORY ENDORSEMENT

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

SCHEDULE

Personal Injury and Advertising Injury Limit of Insurance \$ _____

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

SECTION I - PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. COVERAGE

We will pay all sums the "insured" legally must pay as damages because of:

- a. "Personal injury" caused by an offense committed:
 - (1) In the conduct of your business; and
 - (2) In the Coverage Territory during the Policy Period.
- b. "Advertising injury" caused by an offense committed:
 - (1) In the course of advertising your goods, products or services; and
 - (2) In the Coverage Territory during the Policy Period.

We will have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "personal injury" or "advertising injury" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Personal Injury and Advertising Injury Limit of Insurance has been exhausted by payment of judgments or settlements.

1. WHO IS AN INSURED

The following are "insureds:"

- a. You and your spouse.
- b. Your partners and their spouses, if you are a partnership. None of your partners or their spouses is an "insured" for "personal injury" or "advertising injury" resulting from the conduct of any other partnership.
- c. Your employees, executive officers, directors and stockholders but only while acting within the scope of their duties.

2. COVERAGE EXTENSIONS

Supplementary Payments. In addition to the Personal Injury and Advertising Injury Limit of Insurance, we will pay for the "insured;"

- a. All expenses we incur.
- b. The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within the Personal Injury and Advertising Injury Limit of Insurance.
- c. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$100 a day because of time off from work.
- d. All costs taxed against the "insured" in any "suit" we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" we defend; but our duty to pay interest ends when we have paid, offered to pay, or deposited in court the part of the judgment that is within the Personal Injury and Advertising Injury Limit of Insurance.

B. EXCLUSIONS

This insurance does not apply to:

1. Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages that the "insured" would have in the absence of the contract or agreement.
2. "Personal injury" or "advertising injury" arising out of oral or written publication of material, if done by or at the direction of the "insured" with knowledge of its falsity.
3. "Personal injury" or "advertising injury" arising out of oral or written publication of material whose first publication took place before the effective date of this insurance.

4. "Personal injury" or "advertising injury" arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the "insured."
 5. "Advertising injury" arising out of breach of contract, other than misappropriation of advertising ideas under an implied contract.
 6. "Advertising injury" arising out of the failure of goods, products or services to conform with advertised quality or performance.
 7. "Advertising injury" arising out of the wrong description of the price of goods, products or services.
 8. "Advertising injury" arising out of an offense committed by an "insured" whose business is advertising, broadcasting, publishing or telecasting.
 9. "Personal injury" to:
 - a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - b. The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.
- This exclusion applies:
- a. Whether the "insured" may be liable as an employer or in any other capacity; and
 - b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

C. PERSONAL INJURY AND ADVERTISING INJURY LIMIT OF INSURANCE

The following is added to the AGGREGATE LIMIT OF INSURANCE - "GARAGE OPERATIONS" - OTHER THAN COVERED "AUTOS" provision in SECTION II - LIABILITY COVERAGE:

Subject to the Aggregate Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" and regardless of the number of "insureds," claims made or "suits" brought or persons or organizations making claim or bringing "suits," the most we will pay for the sum of all damages because of all "personal injury" and "advertising injury" sustained by any one person or organization is the Personal Injury and Advertising Injury Limit of Insurance shown in the Schedule.

The Each "Accident" Limit of Insurance - "Garage Operations" - Other Than Covered "Autos" for Liability Coverage does not apply to damages we pay because of "personal injury" and "advertising injury."

D. ADDITIONAL DEFINITIONS

As used in this endorsement:

"Personal injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral or written publication of material that violates a person's right of privacy.

But, "personal injury" does not include injury arising out of advertising, publishing, broadcasting or telecasting done by or for you.

"Advertising injury" means injury arising out of one or more of the following offenses:

1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
2. Oral or written publication of material that violates a person's right of privacy;
3. Misappropriation of advertising ideas or style of doing business; or
4. Infringement of copyright, title or slogan.

SECTION II - HOST LIQUOR LIABILITY COVERAGE

LIABILITY COVERAGE is changed by adding the following:

We will also pay all sums the "insured" legally must pay as damages because of "bodily injury" or "property damage" arising out of the giving or serving of alcoholic beverages at functions incidental to your garage business provided you are not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages.

SECTION III - FIRE LEGAL LIABILITY COVERAGE

LIABILITY COVERAGE for "garage operations" is changed as follows:

- A. The insurance applies to "property damage" caused by a fire to premises leased or rented to you.

- B. Exclusions 3. through 16. do not apply to the insurance provided by this endorsement.
- C. Subject to the Aggregate Limit of Insurance - "Garage Operations" - Other Than "Auto," the most we will pay for all "property damage" resulting from any one fire is the limit of insurance for Fire Legal Liability shown in the declarations.
- D. This insurance is excess over any collectible property insurance (including any deductible portion of that insurance) available to the "insured."

SECTION IV - INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

LIABILITY COVERAGE is changed by adding the following exclusion:

This insurance does not apply to any "insured" in the business or occupation of providing any of the services listed under the following definition.

As used in this endorsement:

"Bodily injury" also means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

"Bodily injury" also includes injury resulting from:

1. Providing or failing to provide any medical or related professional services;
2. Furnishing food or drink connected with any medical or other professional services; or
3. Furnishing or dispensing drugs or medical, dental or surgical supplies or appliances.

SECTION V - NON-OWNED WATERCRAFT COVERAGE

LIABILITY COVERAGE is changed as follows:

- A. Exclusion 10., WATERCRAFT OR AIRCRAFT is replaced by the following:

This insurance does not apply to:

1. Any aircraft; or
2. Any watercraft except a watercraft under 26 feet that is not owned by you nor being used to carry persons or property for a charge.

But this exclusion does not apply to watercraft while ashore on premises where you conduct "garage operations."

- B. If there is other applicable insurance covering damages payable under NON-OWNED WATERCRAFT COVERAGE, we will not make any payments under this coverage.

SECTION VI - ADDITIONAL PERSONS INSURED

LIABILITY COVERAGE is changed by adding the following to WHO IS AN INSURED:

If you are a partnership, the spouse of a partner is an "insured" with respect to the conduct of your garage business.

SECTION VII - AUTOMATIC LIABILITY COVERAGE - NEWLY ACQUIRED GARAGE BUSINESSES (90 days)

As used in this endorsement:

"Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

"Insured" also includes as named "insured" any garage business that is acquired or formed by you and over which you maintain ownership or majority interest.

However, "insured" does not include any garage business:

1. That is a joint venture;
2. That is an "insured" under any other similar liability or indemnity policy;
3. That has exhausted its Limit of Insurance under any other similar liability or indemnity policy; or
4. 90 days or more after its acquisition or formation by you.

SECTION VIII - LIMITED WORLDWIDE LIABILITY COVERAGE

- A. The POLICY PERIOD, COVERAGE TERRITORY Garage Condition is changed by adding the following:

We also cover "bodily injury," "property damage," "personal injury" or "advertising injury" that:

1. Occurs during the policy period shown in the Declarations; and
2. Is caused by an "insured" who permanently lives within the coverage territory while the "insured" is temporarily outside of one of those places.

The original "suit" for damages resulting from such "bodily injury," "property damage," "personal injury" or "advertising injury" must be brought within the coverage territory.

- B. We will not provide LIMITED WORLDWIDE LIABILITY COVERAGE for any "work you performed."

SECTION IX - BROAD FORM PRODUCTS COVERAGE

The DEFECTIVE PRODUCTS EXCLUSION does not apply. However, subject to the LIMIT OF INSURANCE, the coverage only applies to that amount of "property damage" to your "products" which exceeds \$250 for any one "accident."

SECTION X - MEDICAL PAYMENTS COVERAGE

A. COVERAGE

We will pay reasonable medical and funeral expenses to or for each person who sustains "bodily injury" to which this coverage applies, caused by an "accident" and resulting from:

1. The maintenance or use of the locations shown in the Declarations and that portion of the roads or other accesses that adjoin these locations for garage business.
2. All operations necessary or incidental to a garage business.

We will pay only those expenses incurred, for services rendered within one year from the date of the "accident."

B. EXCLUSIONS

This insurance does not apply to:

1. "Bodily injury" resulting from the maintenance or use of any "auto."
2. "Bodily injury" to a person, whether or not an employee of any "insured," if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
3. "Bodily injury" caused by declared or undeclared war or insurrection or any of their consequences.
4. "Bodily injury" to any "insured."

C. LIMIT OF INSURANCE

Regardless of the number of persons who sustain "bodily injury" or claims made, the most we will pay for "bodily injury" for each person injured in any one "accident" is the Limit of Medical Payments Coverage shown in the Declarations.

D. CHANGES IN CONDITIONS

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Garage Condition does not apply.

SECTION XI - GARAGE OPERATIONS

The definition of "GARAGE OPERATIONS" includes all operations conducted by the insured, subject to all conditions and exclusions of this policy.

SECTION XII - PREMIUM AUDIT

The premium audit General Condition is replaced by the following:

The premium for this coverage form is based on the exposures you told us you would have when this policy began. You must report any new exposures or owned "autos" to us within 90 days of acquisition and pay the additional premium from the date acquired.

SECTION XIII - GARAGEKEEPERS COMPREHENSIVE DEDUCTIBLE AMENDMENT

The Garagekeepers Comprehensive Coverage deductible stated in the Declarations applies to all "Losses" covered under Garagekeepers Comprehensive Coverage.



New Reporting Options:

Direct Claims Reporting Saves You Time

1-800-892-8877

Call us to report a claim 24 hours a day – 7 days a week

While we hope you never suffer a loss, you can rest assured that your claim will get immediate and professional attention. With our 24-hour service, you can file your claims directly with us any time, including after normal business hours and holidays.

Whether your loss involves your home, your vehicle, your personal belongings, your boat, your business or glass breakage, just call 1-800-892-8877 to report the claim. Our courteous, professional staff will start all the necessary paperwork as soon as you call. We will ask you for essential information to help determine the extent of your loss, and within minutes, we can assign a claim number to your loss and advise you on the handling process.

Direct reporting benefits you directly

24-hour service

To make it easy for you to report your loss promptly, we're available every day of the year – day and night.

Immediate, personal assistance

With direct reporting, you will be immediately connected to a knowledgeable person who understands your situation.

You save time

When you phone in your claim, there's no need to complete a written report. We'll handle the paperwork for you.

Your satisfaction guaranteed

If your vehicle has been damaged, we can offer your participation in our Preferred Repair Program. If you choose one of the quality repair shops offered, you won't have to wait for an appraiser's inspection or for your check. Repairs are fully guaranteed and we pay for the repairs directly, but only after you tell us you're completely satisfied.

If your home or business has been damaged, we can offer you participation in our Approved Contractor Program. Not only will the quality contractor promptly prepare an estimate of damages for your review, but, at your option, will perform the repairs for the amount agreed upon in the estimate. These repairs are fully guaranteed for a period of one year.

A National Network of Regional Insurers

Great Oaks Insurance Company
Harleysville-Atlantic Insurance Company
Harleysville-Garden State Insurance Company
Harleysville Insurance Company of New Jersey
Harleysville Life Insurance Company

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You get free mobile service for windshield repair

If you report a broken windshield or other auto glass damage, we'll arrange for one of our glass specialists to assess your vehicle. You may have the repairs or replacement performed at one of our hundreds of conveniently located glass shops or, if you prefer, our mobile service will come to your driveway, office parking lot, or any other place you designate to do the work on the spot. It couldn't be simpler and, except for any deductibles that may apply, there's no charge to you.

We'll help you prevent further damage

Whether you've suffered a loss to your vehicle, home, business or boat, we can advise you of the proper steps to minimize your loss and protect your property from further damage.

We'll assure quality medical care

If you're reporting a workers compensation claim, our early intervention program helps ensure that your employee is treated by a physician committed to quality care and to getting your employee back to work as soon as possible.

TO HELP YOU KEEP OUR CLAIMS NUMBERS WITHIN EASY REACH, WE'VE ENCLOSED TWO WALLET CARDS AND TWO STICKERS FOR YOUR IMMEDIATE USE. (SIMPLY DETACH THE CARDS AND PEEL OFF THE LABELS.)

**Direct Claims Reporting:
1-800-892-8877
24 hours a day, 7 days a week**

or

**If you do not wish to utilize our Direct Claims Reporting,
you may call your professional independent agent.**